

Honolulu, Hawaii

February 14, 2014

RE: H.B. No. 2528
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 2528, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to require vendors, who have
been awarded a contract through the Centers for Medicare and
Medicaid Services to provide medical supplies to residents of the
State, to have a physical location or administrative office in the
State.

The Hawaii State Center for Nursing and the Healthcare
Association of Hawaii submitted testimony in support of the
measure. The Hawaii Association of Health Plans and the Hawaii
Medical Service Association submitted testimony in opposition to
the measure.

Your Committee received testimony which stated that limiting
the competitive bidding vendor pool for the provision of medical
supplies to only companies with a local presence could cause
healthcare costs to rise by limiting competition for these
services. However, your Committee finds that specialized medical
equipment being delivered late or not at all can be a health care
cost driver, eliminating any potential savings. Further, your
Committee notes that delivery issues with specialized medical
equipment, prosthetics, orthotics, and supplies have delayed the
release of patients from hospitals and other medical facilities



thereby unnecessarily increasing health care costs. Requiring medical suppliers to have a physical presence in the State will help reduce equipment delivery delays and ultimately provide a net benefit to medical patients.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2528, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2528, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair

HSCR 493-14

Bill/Resolution No.: AB2528 HD	Committee Referral: HLT, CPC, FIN	Date: 02/12/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. KAWAKAMI, Derek S.K. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CACHOLA, Romy M.				/
6. CREAGAN, Richard	/			
7. EVANS, Cindy	//			
8. HAR, Sharon E.	/			
9. ITO, Ken				/
10. LEE, Chris	/			
11. NAKASHIMA, Mark M.	/			
12. OSHIRO, Marcus R.				/
13. TSUJI, Clift	/			
14. YAMANE, Ryan I.	//			
15. MCDERMOTT, Bob	//			
16. THIELEN, Cynthia	/			
TOTAL (16)	13			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
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